

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re:

**TAYLOR TOOLING GROUP, LLC**  
a Michigan Limited Liability Company

Chapter 11  
Case No. DG 19-01025  
Honorable Scott W. Dales

Debtor.

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**DECLARATION OF JAMES R. TAYLOR IN  
SUPPORT OF CHAPTER 11 PETITION**

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I, James R. Taylor, hereby state that the following is true to the best of my knowledge, information and belief:

**I. INTRODUCTION**

A. I am a managing Member of Taylor Tooling Group, LLC (the “**Debtor**”). I am authorized by the Debtor to submit this Affidavit on behalf of the Debtor.

B. In my capacity as a managing Member of the Debtor, I am familiar with the day-to-day operations, business affairs, banking relationships, lease agreements, and books and records of the Debtor.

C. I have reviewed the Debtor’s books and records, results of operations, and other information necessary to supervise the restructuring and reorganization that the Debtor seeks to accomplish in Chapter 11.

D. I submit this Affidavit in support of the Debtor’s voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). All facts set forth in this Affidavit are based upon my personal knowledge, my review of relevant documents, or my informed opinion based on my experience and knowledge of the Debtor’s operations and

financial condition. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

E. This Affidavit describes the business of the Debtor and the developments which led to the Debtor filing this chapter 11 bankruptcy case.

## **II. BACKGROUND**

### **A. The Chapter 11 Filings.**

On March 15, 2019 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under title 11 of the United States Code, 11 USC §§ 101-1531 (the “**Bankruptcy Code**”). The Debtor is continuing in possession of its property and is operating and managing its business, as debtor in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

### **B. The Debtor.**

1. The Debtor was first established by the Members in 2009. The Debtor is a limited liability company organized under the laws of the State of Michigan. All of Debtor’s membership interests are as follows:

- a. Thomas Taylor, Jr. - 50 %
- b. James Taylor - 50 %

2. Debtor is in the business of CNC machining and production in the tool and die industry.

3. Between 2017 and 2018, Debtor suffered a loss of approximately \$2 million in gross sales. As a result, Debtor was forced to substantially reduce its workforce.

4. The compounding effect of lost sales and resulting loss of workforce led the Debtor to conclude it must file a chapter 11 petition.

### **C. Projections.**

1. Taylor Tooling Group, LLC has reduced its workforce significantly and will narrow the scope of its tooling operations to focus on a more profitable set of projects. Taylor Tooling Group, LLC has a number of projects that have been recently completed and are continuing to receive orders for new work. The resulting reduction in expenses and continuing sales are expected to have the net income necessary to fund a chapter 11 plan.

D. Commercial Building Lease.

1. Taylor Tooling Group, LLC leases its commercial building in which it operates and anticipates it will assume the lease to continue operations.

E. Debtor's Secured Creditor.

1. Debtor entered into a loan with First Community Bank ("FCB") on 2014. Debtor and FCB entered into a series of Forbearance Agreements, the most recent of which extended the maturity date of the loan to February 23, 2019.

2. As of the Petition Date, the balance is as follows:

- a. Loan approximately \$364,016.00;
- b. Debtor will provide an initial monthly adequate protection payment of \$2,000.00;

3. FCB filed a UCC Financing Statement perfecting its security in the collateral.

F. Events Leading to the Chapter 11 Filing.

1. The Debtor has been attempting to restructure its business to respond to the loss of profit. The Debtor has significantly reduced its workforce and re-focused sales on a more profitable sector of operations.

2. Debtor intends to use the provisions of chapter 11 to reorganize its business and to pay a percentage of claims to unsecured vendor obligations.

3. The debtor believes the liquidation of the company with the attendant loss of employment and any chance for payment to unsecured creditors, is unacceptable.

4. I believe measures taken pre-petition to reduce expenses and focus on limited sales will greatly improve the chances of a successful chapter 11.

### **III. APPLICATION TO RETAIN PROFESSIONALS**

A. In order to effectively operate and manage its business while in the chapter 11 proceeding, I believe it is necessary for the Debtor to employ certain professionals to provide advice and services to the Debtor.

1. Application to Employ Keller & Almassian, PLC as Bankruptcy Counsel to the Debtor.

The Debtor seeks to retain Keller & Almassian, PLC (“KA”) as bankruptcy counsel in the Case. The Debtor has selected KA on the basis of the firm’s experience and knowledge in the field of bankruptcy. KA has also represented the Debtor in their efforts to work with FCB. KA has disclosed its experience in chapter 11 filings. I have worked closely with their attorneys and I believe that KA is well qualified to act as bankruptcy counsel to the Debtor in this chapter 11 case.

2. Application to Employ Stonehenge Consulting as accountants.

The Debtor anticipates it will seek to retain its current accountants to assist in preparing documents necessary to comply with all Chapter 11 requirements.

### **IV. CONCLUSION**

The Debtor believes that the commencement of this chapter 11 case is in the best interest of its creditors, estate and other parties in interest, providing among other things, the ability to

maximize returns to creditors. As it did during the pre-petition period, the Debtor, with the assistance of its professionals, will continue to maintain its going concern value while actively pursuing a restructuring in order to maximize value for the benefit of all creditors.

Pursuant to 28 USC § 1746, I declare under penalty of perjury that the foregoing is true and correct.

/s/James R. Taylor  
*James R. Taylor – Member*  
*Taylor Tooling Group, LLC, a limited liability company*